



Post Office Box 1028
Beaufort, S.C. 29901-1028

(843) 982-0405 fax: 982-0707

HARBOR ISLAND UTILITIES, INC.

RECEIVED

MAY 29 2018

**PSC SC
MAIL / DMS**

May 25, 2018

The Honorable Jocelyn G. Boyd
Chief Clerk/ Administrator
Public Service Commission of SC
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Harbor Island Utilities, Inc.

Dear Ms. Boyd:

When the Public Service Commission of South Carolina approved our current rates on February 1, 2017 (Docket No. 2016-29-WS - Order No. 2017-80(A)), it included a provision in the Schedule of Settlement Rates and Charges that allows us to pass through rate increases we incur.

We purchase our water from the Beaufort-Jasper Water & Sewer Authority (BJWSA) through a line owned by the Fripp Island Public Service District (FIPSD). We recently received a notice from BJWSA stating that our water cost will increase by \$0.21 (21¢) per thousand gallons effective July 1, 2018. Additionally, we received a notice from the FIPSD that the transportation fee will increase by \$0.01 (1¢) per thousand gallons effective July 1, 2018. Please see the enclosed copies of those letters. The combined increases will be \$0.22 (22¢) per thousand gallons. For a household that uses 250 gallons of water per day, the combined increase would be approximately \$1.65 per month.

Per the approved tariff, Harbor Island Utilities, Inc. (HIU) hereby notifies the PSC of the slight rate increase.

HIU plans to notify customers with the next billing of the pending increase. A draft copy of that notice also is enclosed.

A Letter to Ms. Jocelyn G. Boyd
PSCSC
May 25, 2018
Page 2

Please let me know if you need any additional information.

Sincerely,



Robert G. Gross
President

Enclosures

Copy of Letter from BJWSA dated May 21, 2018

Copy of Letter from FIPSD dated May 25, 2018

Draft Letter to HIU Customers

Copy: The Honorable Nanette S. Edwards, Acting Executive Director, Office of
Regulatory Staff (w/enclosures)



6 SNAKE ROAD, OKATIE, SC 29909-3937
Phone 843.987.8100 | Fax 843.548.0096
Customer Service 843.987.9200
Operations & Maintenance 843.987.8046
Engineering 843.987.8065

www.bjwsa.org

Our mission: "Inspire trust and enhance public health"

ED SAXON, PE, GENERAL MANAGER
843.987.8040 (o) | 843.263.1924 (c)

May 21, 2018

Harbor Island Utilities, Inc.
Mr. Robert G. Gross, President
P.O. Box 1028
Beaufort, SC 29901-1028

Re: Wholesale Water Rate Increase

Dear Mr. Gross,

Please accept this letter as notification that your Wholesale Water Rate will be increasing effective July 1, 2018. After updating our cost of service model, the new rate per 1,000 gallons will be \$2.87 which is a 3% (\$0.08/kgal) increase. We anticipate our Board will adopt this rate at the June 28, 2018 meeting.

There have been no allocation changes or methodology changes in the calculation of your rate. For FY2019, total operating expenses are increasing 4.9% over FY2018 forecasts primarily due to increases in personnel and benefit costs, contract labor, and professional fees. Much like the water industry as a whole, BJWSA continues to experience fluctuating customer demand, which affects retail and wholesale revenues. Wholesale consumption is projected to decrease 3% from FY2018 to FY2019. Retail consumption is projected to remain flat from FY2018 to FY2019. With this rate increase, we only recovering 91% of allocated costs for Harbor Island Utilities.

You are a valued wholesale customer and we welcome any inquiries you may have about our rates. If you have any questions or concerns, please feel free to contact me at 843-987-8081 or email me at sarah.linkimer@bjwsa.org.

Sincerely,

Sarah Linkimer

DGM – Finance & Administration

DONNA L. ALTMAN
CHAIR

JIMMY BAKER
DAVID S. LOTT
GERALD H. SCHULZE

MICHAEL L. BELL
VICE-CHAIR

LORRAINE W. BOND
GREGORY A. PADGETT
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DONALD A. MANSON
SECRETARY/TREASURER

BRANDY M. GRAY
R. THAYER RIVERS, JR.



**FRIPP ISLAND
PUBLIC SERVICE DISTRICT**

291 Tarpon Boulevard
Fripp Island, SC 29920

(843) 838-2400
Fax (843) 838-4900

May 25, 2018

VIA EMAIL ONLY (Bob@BeaufortGroup.net)

Mr. Robert G. Gross
The Beaufort Group, LLC
P.O. Box 1028
Beaufort, SC 29901-1028

**Re: Harbor Island Utilities, Inc.
Anticipated Annual Water Transportation Fee Adjustment &
Annual Effluent Disposal Fee Adjustment
File #102-05**

Dear Bob:

For our fiscal year 2019, effective July 1, 2018, the water transportation fee for water delivered to Harbor Island Utilities, Inc. will increase from \$0.34 per thousand gallons to \$0.35 per thousand gallons. We anticipate that the Commission for the Fripp Island Public Service District will adopt this rate at the June 12, 2018 meeting in accordance with the March 24, 1999 Water Service Agreement.

Effective July 1, 2018, the effluent disposal fee will remain the same as the prior year: \$0.08 per thousand gallons. If the effluent requires additional treatment prior to disposal, the fee will be the same as our current commercial rate of \$6.15 per thousand gallons. We anticipate that the Commission for the Fripp Island Public Service District will adopt this rate during the June 12, 2018 meeting in accordance with the March 30, 2004 FIPSD – HIU Settlement Agreement.

Following adoption of these rates, a letter confirming the adopted rates will be mailed to you.

Sincerely,

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Angel L. Hughes
Manager



Post Office Box 1028
Beaufort, S.C. 29901-1028

(843) 982-0405 fax: 982-0707

HARBOR ISLAND UTILITIES, INC.

June 11, 2018

Dear Harbor Island Utilities Customer:

When the Public Service Commission of South Carolina approved our current rates in January 2017, they included a provision that allows us to pass through rate increases we incur.

We purchase our water from the Beaufort-Jasper Water & Sewer Authority (BJWSA) through a line owned by the Fripp Island Public Service District (FIPSD). We recently received a notice from BJWSA stating that our water cost will increase by \$0.21 (21¢) per thousand gallons effective July 1, 2018. We also received a notice from the FIPSD that the transportation fee will increase by \$0.01 (1¢) per thousand gallons effective July 1, 2018. The combined increases will be \$0.22 (22¢) per thousand gallons.

Accordingly, we are notifying you that your water rates will increase from \$5.47 per thousand gallons to \$5.69 per thousand gallons. For a household that uses 250 gallons of water per day, the combined increase would be approximately \$1.65 per month.

We anticipate that these changes will become effective July 1, 2018 and that you will see it in the bill you receive in mid-August.

Please call with any questions (843) 982-0405.

Sincerely,

Robert G. Gross
President